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May 7, 2018

Hon. Shelley C. Chapman
United States Bankruptcy Judge
United States Bankruptcy Court
One Bowling Green
New York, New York 10004-1408

Re: *Lehman Brothers Holdings, Inc., Debtors*
Case No. 08-13555 (SCC) (Jointly Administered)

Dear Judge Chapman:

My firm is co-counsel for the Institutional Investors, together with their national counsel, Gibbs & Bruns LLP of Houston, Texas. We are pleased to report that the respective counsel to the Institutional Investors and the Trust Administrators have agreed on the text of a proposed order, with the sole exception of one portion of the penultimate decretal paragraph thereof (a copy of the proposed order is attached as Exhibit A). That paragraph reads as follows:

ORDERED that the terms of the RMBS Settlement Agreement shall be strictly enforced, including without limitation Sections 3.06(a)-(c) of that Agreement, **which this Court interprets to require a "Pay First" order of operation, unless the terms of a particular Governing Agreement provide for a different order of operations;** and it is further

The text in boldface is in dispute. The Institutional Investors respectfully submit that the Pay First interpretation should be included in the Court's order, and the Trust Administrators respectfully submit that it should not be.

Hon. Shelley C. Chapman

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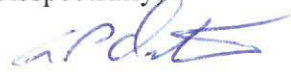
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The Institutional Investors refer the Court to the following portions of the Hearing Transcript (4/19/2018) in support of their view: 45:7-10, 45:25-46:7, and 47:8-11. The Trust Administrators refer the Court to the following portions of that Transcript in support of their contrary view: 51:17-20 and 55:7-21.¹

Counsel for the Institutional Investors and the Trust Administrators, respectively, are available to answer any questions the Court may have, and thank Your Honor for your continued attention to this matter.

Respectfully,



Alec P. Ostrow

Attachments

cc: All counsel of record (via e-filing)

¹ Because the official transcript of the April 19, 2018 hearing has not yet been docketed, attached as Exhibit B is a copy of the rough transcript to which these citations are keyed.